

Senate File 525 - Introduced

SENATE FILE 525

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 481)

(SUCCESSOR TO SSB 1077)

A BILL FOR

1 An Act relating to reforming state and county responsibilities
2 for adult disability services, making appropriations, and
3 including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. ADULT DISABILITY SERVICES SYSTEM REDESIGN.

2 1. For the purposes of this section, "disability services"
3 means services and other support available to a person
4 with mental illness or an intellectual disability or other
5 developmental disability.

6 2. It is the intent of the general assembly to redesign the
7 system for adult disability services to implement all of the
8 following:

9 a. Shifting the funding responsibility for the nonfederal
10 share of adult disability services paid for by the Medicaid
11 program, including but not limited to all costs for the state
12 resource centers, from the counties to the state.

13 b. Reorganizing adult disability services not paid for by
14 the Medicaid program to be administered by the counties on
15 a regional basis, providing for the regions to serve as the
16 single point of entry for the adult disability services not
17 funded by the Medicaid program.

18 c. Devising new approaches for addressing the needs for
19 publicly funded services for persons with brain injuries.

20 d. Implementing contracting between the state and the
21 county regions, designating a region to serve as a Medicaid
22 local point of access, and provider of case management
23 or service coordination, service navigation support, and
24 assistance with service intake. The region will determine the
25 Medicaid targeted case management provider for the region.
26 In addition, the region will coordinate and liaison with the
27 department of human services concerning the adult disability
28 services covered by the Medicaid program so that services
29 covered by that program and the region are integrated and
30 coordinated.

31 e. Implementing measures for Medicaid and non-Medicaid
32 services to be provided in the most community-based, least
33 restrictive, and integrated setting appropriate to a consumer's
34 needs.

35 f. Providing funding in order for the state to assume the

1 nonfederal share of the Medicaid program costs by means of
2 the state retaining the following funding sources currently
3 distributed to the counties for adult disability services:

4 (1) Appropriations made for purposes of the mental health
5 and developmental disabilities community services fund in
6 accordance with section 225C.7.

7 (2) Appropriations made for purposes of the allowed growth
8 factor adjustment as described in sections 331.439 and 426B.5.

9 (3) Appropriations made for the property tax relief fund
10 pursuant to section 426B.1 and replacement generation tax
11 revenues deposited in the fund pursuant to section 437A.15.

12 g. Maintaining the following funding sources for the county
13 regional system:

14 (1) Appropriations made for state cases services under
15 section 331.440, Code 2011.

16 (2) Distribution of the federal social services block grant
17 allocation for local purchase.

18 h. Addressing county property tax funding for adult
19 disability services on a regional basis and revising property
20 taxation for adult disability services to a levy rate that is
21 uniform, adequate, and fair.

22 i. Creating new state funding sources for the following
23 purposes:

24 (1) To serve as an incentive and to defray new
25 administrative costs for reorganizing adult disability services
26 to be administered by counties on a regional basis.

27 (2) For regions to bid to implement demonstration projects
28 to test new evidence-based adult disability services for
29 periods of three to five years.

30 (3) For counties to test innovative approaches for the
31 delivery of adult disability services.

32 j. Providing for the department of human services to work
33 with counties and other stakeholders to identify the core adult
34 disability services to be available in each region and to
35 establish standards for the regional system.

1 k. Addressing the needs of consumers with co-occurring
2 disorders in a manner that is seamless to the consumers.

3 1. Replacing legal settlement as the basis for determining
4 financial responsibility for publicly funded disability
5 services by determining responsibility based upon residency.

6 3. Beginning on the effective date of this Act and
7 continuing through the fiscal year beginning July 1, 2011, the
8 department of human services shall consult with a stakeholder
9 group formed by the department in developing a plan and
10 implementation provisions for a system for adults in need
11 of publicly funded disability services and related support,
12 proposing but not limited to all of the following:

13 a. Identifying clear definitions and requirements for the
14 following:

15 (1) Eligibility criteria for the individual to be served.

16 (2) The array of core services and other support to be
17 included in regional adult disability services plans and to be
18 delivered based on individual needs and medical necessity.

19 (3) Outcome measures, including but not limited to measures
20 addressing individual choice, empowerment, and community.

21 (4) Quality assurance measures.

22 (5) Provider accreditation, certification, or licensure
23 requirements to ensure high quality services while avoiding
24 unreasonable expectations and duplicative surveys.

25 (6) A process to evaluate and resolve workforce shortage
26 issues.

27 (7) Input in regional service plans and delivery provisions
28 by consumer and provider representatives.

29 (8) A process for representatives of the regional system
30 to regularly engage the department in resolving Medicaid and
31 non-Medicaid issues involving documentation requirements,
32 electronic records, reimbursement methodologies, and other
33 measures to improve the services and other support available
34 to consumers.

35 b. Incorporating strategies to allow individuals to receive

1 services in accordance with the principles established in
2 *Olmstead v. L.C.*, 527 U.S. 581 (1999), in order for services to
3 be provided in the most community-based, least restrictive, and
4 integrated setting appropriate to an individual's needs.

5 c. Continuing the department's leadership role in the
6 Medicaid program in defining services covered, establishing
7 reimbursement methodologies, providing other administrative
8 functions, and expanding the program to incorporate the
9 opportunities provided by the federal Patient Protection and
10 Affordable Care Act, Pub. L. No. 111-148.

11 d. Implementing mental health crisis response services
12 statewide in a manner determined to be most appropriate by each
13 region.

14 e. Implementing a subacute level of care to provide
15 short-term mental health services in a structured residential
16 setting that supplies a less intensive level of care than is
17 supplied by acute psychiatric services.

18 4. a. The target date for full implementation of the
19 plan and implementation provisions described in subsections
20 2 and 3 shall be July 1, 2013, provided, however, that any
21 expansion of services is subject to available funding. The
22 plan and implementation provisions shall be submitted to
23 the governor and general assembly on or before December 15,
24 2011. A progress update providing preliminary recommendations
25 delineating the major responsibilities of the department
26 and regions, the relationship of Medicaid funded services
27 to non-Medicaid services, and the funding needs of regions
28 shall be submitted to the members of the joint appropriations
29 subcommittee on health and human services and the legislative
30 services agency in October 2011.

31 b. The initial plan and implementation provisions shall
32 recommend detailed core services and criteria provisions for
33 counties to affiliate with a regional entity to be organized
34 by the affiliating counties under chapter 28E. Following
35 enactment of the core services and regional criteria, if a

1 county has not formally agreed to affiliate with a regional
2 entity by July 1, 2012, the county's regional affiliation
3 shall be determined by the department. The regional criteria
4 considered for recommendation shall include but are not limited
5 to all of the following:

6 (1) Requiring the region to consist of contiguous counties
7 adjoining one of the following urban areas: Ames, Cedar
8 Rapids, Council Bluffs, Davenport, Des Moines, Iowa City, Sioux
9 City, or Waterloo.

10 (2) Evaluating a proposed region's capacity for providing
11 core services and performing required functions.

12 (3) Requiring the region to encompass at least one community
13 mental health center or federally qualified health center with
14 providers qualified to provide psychiatric services, either
15 directly or with assistance from psychiatric consultants, that
16 has the capacity to provide outpatient services for the region
17 and has provided evidence of a commitment to provide outpatient
18 services for the region.

19 (4) Requiring the region to encompass or have reasonably
20 close proximity to a hospital with an inpatient psychiatric
21 unit or state mental health institute, that has the capacity
22 to provide inpatient services for the region and has provided
23 evidence of a commitment to provide inpatient services for the
24 region.

25 (5) Requiring the administrative structure utilized by
26 a region to have clear lines of accountability and to serve
27 as a lead agency with shared county staff or other means of
28 limiting administrative costs to not more than five percent of
29 expenditures.

30 5. The legislative council is requested to authorize a
31 legislative interim study committee to meet during the 2011
32 legislative interim and assist with the adult disability
33 services system redesign addressed by this Act, to make
34 recommendations for implementing county disability services
35 levy changes to support adult disability services regions with

1 levies that are uniform, adequate, and fair, and to consider
2 statutory amendments necessary for implementation of the system
3 redesign.

4 Sec. 2. DEPARTMENT OF HUMAN SERVICES. There is appropriated
5 from the general fund of the state to the department of human
6 services for the fiscal year beginning July 1, 2011, and ending
7 June 30, 2012, the following amount, or so much thereof as is
8 necessary, to be used for the purposes designated:

9 For planning costs associated with implementation of this
10 Act:

11 \$ 250,000

12 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
13 immediate importance, takes effect upon enactment.

14 EXPLANATION

15 This bill reforms state and county responsibilities for
16 adult mental health and disability services.

17 For purposes of the bill, "disability services" are defined
18 to mean services and other support available to a person
19 with mental illness or an intellectual disability or other
20 developmental disability.

21 Legislative intent is stated for redesigning the adult
22 disability services system in order to shift responsibility
23 for nonfederal share of such services paid for by the Medicaid
24 program from the counties to the state; for counties to
25 administer such services not paid for by the Medicaid program
26 on a regional basis; for devising new approaches for addressing
27 the need for publicly funded services for persons with brain
28 injury; for shifting current funding sources in order to fund
29 the shift in responsibilities; establishing new state funding
30 sources to address the system redesign; replacing the use
31 of legal settlement as the means of determining financial
32 responsibility to pay for publicly funded services with
33 determining responsibility based on residency; and various
34 other items.

35 The department of human services is required to consult with

1 a stakeholder group formed by the department to develop a plan
2 and implementation provisions for the system redesign. The
3 provisions are required to address a list of specific items and
4 definitions along with various considerations.

5 The target date for full implementation of the plan is
6 July 1, 2013, with the proviso that any service expansion is
7 subject to available funding. The plan and implementation
8 provisions are required to be submitted to the governor and
9 general assembly by December 15, 2011. A progress update
10 with preliminary recommendations delineating the major
11 responsibilities of the department and regions, relationship of
12 Medicaid funded services to non-Medicaid funded services, and
13 the funding needs of regions is required to be submitted to the
14 members of the joint appropriations subcommittee on health and
15 human services in October 2011.

16 Counties are required to affiliate with a regional entity
17 to be organized by the affiliating counties under Code chapter
18 28E. If a county has not formally affiliated by July 1,
19 2012, the county's regional affiliation is determined by the
20 department. Regional criteria is provided for consideration in
21 the planning provisions.

22 The legislative council is requested to authorize a 2011
23 legislative interim study committee to assist with the
24 redesign, to make recommendations for implementing county
25 disability services levy changes to support the regions with
26 levies that are uniform, adequate, and fair, and to consider
27 statutory amendments necessary for implementation of the system
28 redesign.

29 An appropriation is provided to the department of human
30 services for planning costs associated with implementation of
31 the bill.

32 The bill takes effect upon enactment.